UNNUMBERED LETTERS ISSUED FOR THE MONTH OF APRIL 2003

Dated	Subject	Distribution
04-03-03	Business and Industry Guaranteed Loan Program Moody's Financial Analyst Software	S/D
	Intermediary Relending Program/Rural Development Loan Fund Program Write-down of Debt For An Existing Borrower	S/D
04-11-03	Survey of Service Provided by the Travel Unit	S/D
	Mail Security	S/D
04-17-03	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, D/D, C/S
04-23-03	Revised FY 2003 Program Loan Cost Non-Recoverable Fund Allocations	S/D
04-28-03	Fiscal Year (FY) 2005 Administrative Budget Initiatives	S/D
04-30-03	Rural Business-Cooperative Service Business Programs Annual Report for Fiscal Year 2002	S/D
	Income and Expense Analysis for Multi-Family Housing Projects	S/D

April 3, 2003

SUBJECT: Business and Industry Guaranteed Loan Program
           Moody's Financial Analyst Software

     TO: State Directors, Rural Development

   ATTN: Business Programs Directors
           Information Resources Managers

This unnumbered letter (U/L) clarifies, updates, and replaces the first U/L on subject dated November 14, 2002.

Based on our experience with the software and training, the training course should take between 8 to 12 hours to complete.

Each trainee should read through the orientation section of the site to obtain an understanding of the training program. It is suggested that the lesson description and sections be printed for review prior to the quiz. The "Library" does not need to be printed, although you may find sections that contain useful information.

Revised instructions for installation and configuration of the software for Information Resource Managers (IRM) are included in Attachment A. The revision incorporates the process to enter the RiskCalc User ID and Password into Moody's Administrator. This will allow the user to run the RiskCalc program. Attachment A contains Configuring Customer Database instructions. The change from the previous U/L notes the addition of items 20 through 24. These items will instruct your IRM of the steps to install the User ID and Password. You will need to go to Moody's Administrator by clicking on Start, Program Files, Moody's Financial Analyst, Moody's Administrator. You will need to enter the password "admin".

EXPIRATION DATE: FILING INSTRUCTIONS:
April 30, 2004   Community/Business Programs

When in Moody's Administrator, select File, and then select RiskCalc UserID and Password. When the dialog box appears, enter the User ID and Password noted below. This should remove the error message concerning authorization when working in the Moody's Program and allow you to use the RiskCalc program.

    Organization RiskCalc User ID: usdarural
    Organization RiskCalc Password: solution (the password is case sensitive)

RiskCalc incorporates the middle market range of businesses. Other models used in this market include Altman's Z-score. The models use information from financial statements to predict the possibility of default. Attachment B includes the inputs and ratios used in the RiskCalc process. RiskCalc does not include management quality, specific information related to the industry, and macroeconomic information in the analysis.

The Moody's RiskCalc website can offer additional information concerning research and models: http://riskcalc.moodysrms.com/us/research.

Each State will receive one training manual entitled "Moody's Financial Analyst - Operational Training Version 3," which will be forthcoming. On page 59, the manual offers a list of Keyboard Shortcuts.

Individuals responsible for completing the training are not required to forward the stated lesson assignments, although final exams must be completed. Completing the quiz in each lesson will help prepare the student for final exams.

In the first case study, the balance sheet does not balance, and students should continue on with the training. The resulting imbalance will create a problem with reconciling the statement.

When adding an account, please note that the accounts are plus (+) or minus (-) specific. This is important when adding accounts to your spreadsheet. The process of consolidating statements may pose a problem for the user. For example, a user has added accounts, then removed the accounts, and then added some of the accounts back into the statement. The user then tries to consolidate hidden statements, and it does not process the request. The Help Desk has suggested deleting all of the added accounts, add them back into the statement, and then complete the consolidation. If the type of added account is different for the company and the subsidiary, the database cannot combine the two. The correction should be part of the next release of Moody's Financial Analyst program.

Any notes should be used to explain account entries that require clarification, for example, Unexplained Adjustments to Real Estate and formulas used in the spreadsheet other than system generated. When saving files to Word or Excel, the Rich Text Format (.rtf) is for word processing, and the text (.txt) file is for Excel. To delete a customer in the Moody's Financial Analyst program, go to File, Maintenance, Delete, Select Customer, hit. This will remove the customer from the program. Negative numbers are entered as -100, not (100).

If the applicant is a start-up operation, input the first year pro forma in the Historical section and the remaining pro forma years under Projection.

Following are suggested reports to submit to the National Office with loan processing and servicing requests:

Financial Section on Print Menu

1.   Detailed Balance Sheet - Actual and %
2.   Detailed Income Statement - Actual and %
3.   Detailed Ratios
4.   Detailed Reconciliations
5.   Detailed UCA Cashflow
6.   Quick Projection Variables

Consultant Section of Print Menu

1.   Quick Call Summary
2.   Focus Questions Report
3.   Financial Performance Analysis
4.   Financial Statement Alerts

Peer Comparison Section of Print Menu

1.   Ratios
2.   Comparison of Industry Values

Questions concerning the program should be addressed to:

<u>Moody's</u>
Dianna Kujawski   (866) 995-9659 ext. 5788   dianna.kujawski@moodysrms.com
                        fax (574) 472-5988

<div align="center"><u>B&I Division</u></div>

Chuck Angelucci   (202) 690-0309   chuck.angelucci@usda.gov
Bill Smith   (202) 205-0903   williamc.smith@usda.gov

<div align="center"><u>St. Louis Help Desk</u></div>

Sherry Ziebold   (800) 457-3642 ext. 1124   sherry.ziebold@stl.rural.usda.gov
Fred McGavran   (314) 539-6424   fred.mcgavran@stl.rural.usda.gov
Kelly Cunningham   (314) 992-0302   kelly.cunningham@stl.rural.usda.gov

<div align="center"><u>Systems Integration Management Branch</u></div>

Mary Haygood   (703) 605-4387   mary.haygood@nfac.usda.gov
Debi Ogle   (703) 605-4390   debbie.ogle@nfac.usda.gov

The following includes access information for the courses:

URL Student Site: http://www.moodys-expertise.com

Username: (the student's username)
Password: (the student's password)
Organization ID is 2166.

The training program will need to be completed by May 31, 2003.

Use of the software will be considered mandatory for all Business and Industry (B&I) Guaranteed Loan Program processing and servicing actions effective May 31, 2003. Effective on the date of this U/L, please submit the spreadsheets file via e-mail to Fred Kieferle, fred.kieferle@usda.gov, for loan processing and Blanche Hamilton, blanche.hamilton@usda.gov, for loan servicing (see Attachment C for instructions) in addition to mailing the loan docket, analysis, and recommendation for all B&I processing and servicing requests submitted to the National Office. Please contact your State IRM to install the Moody's software on your computer. Copies of the CD may be made to help facilitate installation of the software, but use of the software is person specific. If the individual licensed to use the software leaves the program area, please submit the replacement person's name to Fred Kieferle, fred.kieferle@usda.gov, since Rural Development is required to transfer the license to the new individual.

The State Business Programs Directors are responsible for ensuring that the licensees for their State receive a copy of this U/L and complete the online training by May 31, 2003. State Business Program Directors will be required to provide a written certificate to Fred Kieferle, B&I Processing Branch Chief, that all licensees have concluded the training. This written certification must be provided no later than June 6, 2003. If you have any questions, please contact Fred Kieferle, B&I Division Processing Branch Chief directly, (202) 720-7818.

JOHN ROSSO
Administrator
Rural Business-Cooperative Service

Attachments

Attachment A

United States Department of Agriculture
Rural Business-Cooperative Service
Moody's Financial Analyst Revised Instructions

Configuring Customer Database
The installation program will install the necessary MS-Access customer database (GlobalCustomer.mdb) for MFA in the c:\program files\moodys financial analyst\databases folder. The GlobalCustomer.mdb file will contain the MFA customer data for that particular computer's installation of MFA. If necessary, the GlobalCustomer.mdb file can be moved to a user's network directory to facilitate backup and data recovery procedures. To accomplish this, follow these steps:
1.   Start Explorer.
2.   Browse to the c:\program files\moodys financial analyst\databases folder.
3.   Highlight the GlobalCustomer.mdb file.
4.   Select the Edit\Cut menu in Explorer.
5.   Browse to the user's network directory where you want to store the GlobalCustomer.mdb file for this user (e.g., k:\Users\Saegesser\MFA\).
6.   Select Edit\Paste in Explorer.
7.   Start the Moody's Administrator program from the Windows Start\Programs\Moody's Financial Analyst program group.
8.   Enter USDA RBS password of moodyblues1.
9.   Select the Management\Global Customer Databases menu option.
10.   Highlight the "Default Access Database" entry and click the Edit button.
11.   Highlight the Connect String and hit the Control+C keys to copy the Connect String into memory.
12.   Click the Cancel button.
13.   Click the Add button on the "Modify Global Customer Databases" screen.
14.   Enter a "Database Name" for this user (e.g., Brad Saegesser MFA Customer Database)
15.   Position the cursor in the Connect String area and hit the Control+V keys to Paste the entry from Step 11.
16.   Edit the DATASOURCE= path to match the directory used in Step 5.
17.   Click OK to close the "Add Global Customer Database" screen.
18.   Highlight the "Default Access Database" entry and click the Delete button.
19.   Click the Close button to close the "Modify Global Customer Databases" screen.
20.   Select the File/RiskCalc User Id and Password Menu option.
21.   Enter "usdarural" for the User Id.
22.   Enter "solution" for the Password (the Password is case-sensitive).
23.   Click OK to close the "Store RiskCalc User Id and Password" screen.
24.   Exit Moody's Administrator by selecting the File/Exit menu.

Attachment B

Inputs and Ratios Used in RiskCalc

Inputs	**Ratios**
Assets - 2 years	Assets/CPI
Cost of Goods Sold	Inventory/COGS
Current Assets	Liabilities/Assets
Current Liabilities	Net Income Growth
Inventory	Net Income/Assets
Liabilities	Quick Ratio
Net Income - 2 years	Retained Earnings/Assets
Retained Earnings	Sales Growth
Sales - 2 years	Cash/Assets
Cash and Equivalents	Debt Service Coverage Ratio
EBIT	
Interest Expense	
Extraordinary Items - 2 years	

Attachment C

Sending/Receiving Data Files Via E-mail

To Send A File:

1.   Start with the Moody's Financial Analyst Training Manual, Section 8, "Adding a Local Customer Database," page 151. In step number 1, it is suggested to use the File/Open method, and in step number 4, name the new database, i.e., Send (plus an abbreviated project name). The Moodys program will use the name "LocalSend abbreviated name." The database is created in the Moody's Financial Analyst Program. When selecting a path, (see number 6 on page 152), it is suggested to create a new folder for files sent to the National Office, to keep them separate from other databases.

        Remember to write down the path name for the local customer database, i.e., C:\ProgramFiles\MoodysFinancialAnalyst\Databases\Your Folder Name\ Customer Database Name. A suggestion is to use the actual customer name, a truncated version. You will need this path when using the WinZip Program.

2.   Proceed to "Copying a Customer," on page 153 of the Training Manual. You will need to select the source database first, which is usually the default database, and then copy to the destination database, i.e., LocalSend, which is the database created using page 151 noted above.

3.   You cannot have the file open in the Moodys program and create the Zip file at the same time. Open the WinZip program and Select "New." You will need to create the Zip file. The Zip file can be created in C:\Temp or some other folder. You can use the customer name to identify the Zip file. Once you hit OK, a screen will appear prompting you to add from a folder. Locate the database file based on the path identified during the "Add a Local Database" process, number 1 above. Select the customer database, and hit add. Close the WinZip program.

To E-mail the Zip file, open your e-mail program, locate the zip file, and attach the zip file to the message.

To Receive a File:

When a zip file has been received via e-mail, save the zip attachment to, i.e., C:\Temp or some other folder. Open the WinZip program, selecting the Open icon, locate the zip file based on the saved location, and open the archive file. Thereafter, select Extract, and identify the location to Extract To. The system should default to the following location, C:\Program Files\Moody's Financial Analyst\Databases.

To receive the database into the Moody's program, follow the instructions in the Training Manual, pages 156 - 158, "Receiving Data." It is suggested the name of the database identified in step 10, on page 156, be titled Receive (plus an abbreviated project name). The Moody's program will identify it as "LocalReceive abbreviated name." You will need to obtain the database from the C:\Program Files\Moody's Financial Analyst\Databases file created during the unzip process. The user will need to add a local database each time you receive a file.

Once completed, access the Moody's program, selecting File/Open. The open customer dialog box will be displayed. Select the Customer Database using the drop down arrow. The database, i.e. LocalReceive database, should be displayed. Contained under customer names will be the database received and stored using the "Receiving Data" process. Clicking on OK will open the database in the Moody's Program.

Once the local database has been established, the customer data can be copied or moved to another database, i.e. the Default Access Database. The user can also continue to open the customer data from the local database, i.e. LocalReceive.

April 3, 2003

SUBJECT: Intermediary Relending Program/
             Rural Development Loan Fund Program
             Write-down of Debt For An Existing Borrower

     TO: State Directors, Rural Development

   ATTN: Business Programs Directors

The regulations governing the Intermediary Relending Program (IRP) and Rural
Development Loan Fund (RDLF) loans are silent on the issue of a write-down of the
intermediary=s indebtedness while leaving the borrower and present management in
business. This unnumbered letter is to provide guidance should you receive such a
request.

The Agency hereby reiterates its policy of not allowing debt write-down and leaving the
same principals in charge of the business. This policy applies to both the IRP and RDLF
Programs. Any exception to this policy will be made at the National Office; State Offices
do not have any authority to make an exception. State Offices requesting an exception to
this policy must submit the following to the National Office: the State Director=s
recommendation and discussion of the request, borrower=s latest financial statements,
and any other documentation you think appropriate to support the request.

The Agency remains concerned that modifying this policy might encourage write-down
requests. The requirement to make quality, creditworthy loans is emphasized throughout
the governing regulations. While we are obligated to recognize a bankruptcy court order,
where the judge has stipulated write-down as a requirement to make the business work
while leaving the same principals in place, it is usually a write-down of many creditors.
Our policy, in the absence of a court order, helps to protect taxpayers dollars, promotes
the idea of commitment to the business by its principals, and reinforces the principle that
loans must be repaid.

EXPIRATION DATE: FILING INSTRUCTIONS:
April 30, 2004   Community/Business Programs

In the future, we will incorporate this policy into the published regulations.

If you have any questions, contact David Lewis, Loan Specialist, Specialty Lenders Division Servicing Branch, (202) 690B0797.

(Signed by John Rosso)

JOHN ROSSO
Administrator

April 11, 2003

SUBJECT: Survey of Service Provided by the Travel Unit

    TO: Rural Development State Directors

    ATTN: Administrative Program Directors

The General Services Branch (GSB) is conducting a Management Control Review
(MCR) of Travel. As part of this MCR, we will be evaluating the caliber of service
provided by staff in the National Office Travel Unit (TU) to our customers in each State
Office.

Your opinions and comments are very important to us and will be used to determine if we
are responding to the needs of our customers in a timely manner and providing the
appropriate information and assistance. We hope to also identify areas where the
National Office should broaden its scope of activities to better serve its customers.

We are emphasizing service between the National Office TU and State Office employees;
therefore, we ask that distribution of this survey be limited to State Office staff who
interface directly with the TU staff.

Please take a few minutes to complete the attached survey and return to Carol Huber,
General Services Branch. You may fax your responses to Carol at 202-692-0013 or send
via regular mail to:

                        Carol Huber
                        Rural Development
                        STOP 0742
                        1400 Independence Avenue, SW.
                        Washington, DC 20250-0742

Please return your surveys **no later than May 7, 2003**. Thank you.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator for
  Operations and Management

Attachment

EXPIRATION DATE: FILING INSTRUCTIONS:
May 31, 2003   Administrative/Other
Programs

Sent via electronic mail on <u>04-11-03</u> at <u>12:45 p.m.</u> by <u>SSD</u>.

SURVEY OF SERVICES PROVIDED BY THE
TRAVEL UNIT – NATIONAL OFFICE

1. **How many times in the past six months have you contacted staff in the National Office Travel Unit (TU)?**
   - **1 – 6 times**
   - **7 – 12 times**
   - **13 – 24 times**

2. **In general, what areas of travel were discussed during your contacts (mark all that apply):**

Bank of America Travel Card Program	•
Relocation Services Program	•
Relocation Entitlements	•
Move Management Services	•
Temporary Duty Travel	•
Travel Deviations (personal travel, etc.)	•
Travel Management Centers	•
Automated TRVL System	•
Other Topics: (please list)	
_____	•
_____	•
_____	•

3. **Please rate the following attributes of the contact(s) you had with staff in the National Office TU:**

	Good				Poor
General Customer Service	5	4	3	2	1
Knowledgeable of Regulations & Instructions	5	4	3	2	1
Prompt in Returning Telephone Calls	5	4	3	2	1
Provide References to Support Decision/Advice	5	4	3	2	1
Friendly and Courteous	5	4	3	2	1
Other Areas (please list):					
_____	5	4	3	2	1
_____	5	4	3	2	1
_____	5	4	3	2	1

   Suggestions/Comments: _____
   _____
   _____
   _____

4. **In your opinion, are Unnumbered Letters, Administrative Notices, and revisions to the travel instructions issued in a timely manner?**   • **YES**   • **NO**

5. **Have you had any formal travel training?**   • **YES**   • **NO**
   If you responded "YES", when?   _____
   Who offered/conducted the training?   _____

6. **Should the National Office conduct training sessions?**   • **YES**   • **NO**

7. **Should the National Office hold quarterly teleconferences on temporary travel or relocation?**   • **YES**   • **NO**

YOUR STATE: _____   **YOUR NAME:** _____ (optional)

Thank you for your input. You may attach additional sheets to provide more comments, suggestions, or information on any of the items listed above. Please return this survey by May 7, 2003, to Carol Huber, via fax at 202-692-0013 or by mail.

April 11, 2003

SUBJECT: Mail Security

    TO: Rural Development State Directors

  ATTN: Administrative Program Directors

The Department of Agriculture Director of Operations issued a memorandum dated
March 24, 2003, concerning Mail Center Security. The Director cited two excellent
publications prepared by the United States Postal Inspection Services:

   Best Practices for Mail Center Security: Incoming and Outgoing Operations.

   Mail Center Security Handbook, USPS, Publication 166
   (Sept. 2002).

The first of the above listed publications is attached. If you would like to order the Mail
Center Security Handbook, you may call 1-800-332-0317, press option 4 and ask for
Publication 166. Additional resources related to security of mail and an online version of
this guide are available on www.usps.com by entering "Publication 166" in the search
box.

Please share this information with all staff. Questions concerning this matter may be
directed to the Rural Development Mail Manager, Roderick Williams, at (202) 692-0027.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
  for Operations and Management

Attachments

EXPIRATION DATE: FILING INSTRUCTIONS:
April 30, 2004   Administrative/Other Programs

Sent by electronic mail on 04-11-03 at 1:25 p.m. by SSD.

Attachment - **Mail Center Security Handbook** not automated, this attachment was
mailed to each State Director

MAR 2 4 2003

TO: Deputy Administrators for Management

FROM: Priscilla B. Carey
Director of Operations

SUBJECT: Mail Center Security

Nationwide, our USDA mail centers are major gateways into our agencies. Security policies and procedures for mail centers, both large and small, are often overlooked. The United States Postal Inspection Service has prepared two excellent sources of information on this subject:

Best Practices for Mail Center Security: Incoming and Outgoing Operations - a quick reference guide for mail centers of all sizes.

Mail Center Security Handbook, USPS, Publication 166 - A detailed Handbook addressing weapons of mass destruction, threats, mail bombs, and employee safety.

Although the threat of anthrax has not recently been in the news, regular and careful cleaning of mail handling facilities is recommended. The U.S. Departments of Labor and Health and Human Services have issued recommendations for protecting workers, including maintenance and custodial workers, from potential exposure to Bacillus anthracis (anthrax). Recommended housekeeping controls in the mail-handling and mail processing areas include:

• Avoid practices that generate dust, such as dry sweeping, dusting, and using compressed air to clean machinery. Areas of the Mail Center should be wet-cleaned with a cleaning solution of one part household bleach to ten parts of water or vacuumed with an industrial vacuum cleaner equipped with a high-efficiency particulate air (HEPA) filter. Conventional home or industrial vacuums should not be used since these vacuums may further disperse anthrax spores.

• Protective, impermeable gloves should be worn by all workers. In some cases, workers may need to wear cotton gloves under their protective gloves for comfort and to prevent dermatitis. Gloves should be provided in a range of sizes to ensure proper fit. The choice of glove material such as nitrile or vinyl should be based on safety, fit, durability, and comfort. Different gloves or layers of gloves may be needed depending on the task, the dexterity required, and the type of protection needed.

• Workers should wash their hands thoroughly with soap and water when gloves are removed, before eating, and when replacing torn or worn gloves.

• The contractor must abide by all federal, state, and local health and safety regulations pertaining to occupational health.

Your contracts for maintenance and custodial workers should encourage the contractor to review the following web sites for recommended practices:

U.S. Department of Labor, Occupational Safety and Health Administration, *Anthrax in the Workplace,* http://www.osha.gov/bioterrorism/anthrax/matrix/

U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, *CDC Interim* Recommendations for Protecting Workers from Exposure to Bacillus anthracis in Work Sites Where Mail is Handled or Processed,* *Updated from CDC Health Advisory 45 issued 10/24/01, http://www.bt.cdc.gov/DocumentsApp/Anthrax/10312001/han51.asp

Implementation of these procedures will help ensure the safety and peace of mind of USDA mail handlers and all USDA employees nationwide. If additional information or assistance is required, please feel free to contact me on (202) 720-3937 or June Bryan, Chief, Mail and Reproduction Management Division on (202) 720-1806.

Attachments

·

UNITED STATES POSTAL SERVICE®

Best Practices for Mail Center Security
Incoming and Outgoing Operations
Presented by the
United States Postal Inspection Service

There are millions of businesses that use the mail. The vast majority of these have only 'one to a few' person(s) responsible for mail center-type operations. Of these millions of businesses, there are thousands of large, complex corporate mail center operations. The best practices listed below are a summary of well-developed mail center security procedures that can be used by any mail center. **Procedures applicable primarily to large mail centers are identified as such, and *in bold*.**

These recommendations come from businesses that use the mail and have been shared with the USPS for distribution to its customers. Since needs and resources are often different, every suggestion may not apply to all businesses. Mailers should determine which are appropriate for their company and conduct periodic security reviews of their operation to identify needed improvements. The list below contains general security concepts and a few specific examples of how to accomplish them.

General Mail Operation preventive recommendation:

- Appoint a Mail Security Coordinator (and an alternate if a large mail center)
- Organize a Mail Security Response Team, as practical, depending on the size of the mail center staff
- Create, update and/or review SOPs, Security Procedures, Disaster Plans, and Operating Plans. **Keep a back-up copy of plan(s) off-site.**
- Train personnel in policies and procedures relative to mail security, i.e. biological, chemical, weapons or natural disasters
- Include from the staff, when possible, certified firefighters, biohazard handlers, and/or corporate safety, environment and health personnel, or, train personnel in these duties
- Members of the team should be equipped with cell phones/pagers and should be available up to 24 hours a day, 7 days a week, as is appropriate for the situation
- Information, and updates, about the personnel and response procedures should be published and distributed company-wide
- Federal Government Mail Managers should also refer to the General Services Administration (GSA) web site for specific and updated information concerning federal mail management policies and procedures
- Publish an After-Action Report or Incident Report after every incident
- Have senior management buy-in/sign-off on company's mail security procedures

Employee Security Procedures

- Maintain good hiring practices
  - Provide in-depth screening/background checks when hiring new employees
  - Make arrangements with one or two temporary employment agencies to ensure that a restricted, pre-screened group of individuals is available when needed to supplement the workforce
  - Enforce/institute probationary period for evaluation of employees
- Establish a strict employee identification/personnel security program
  - Require employees to wear photo ID badges at all times
  - Instruct employees to challenge any unknown person in a facility
  - Where provided to employees, utilize uniforms with names and logos stitched on them for employees to wear at work
  - Provide a separate and secure area for personal items (e.g., coats and purses). Prohibit employees from taking personal items into the main workspace

   ❍ Establish incoming/outgoing personal mail procedures
   ❍ **Hire or designate security personnel for mail center area. (Primarily for large mail centers.)**
- Establish health safety procedures
   ❍ **Have on-site medical personnel (large mail center) or arrange for off-site facility/personnel**
   ❍ Encourage employees to wash hands regularly, especially prior to eating
   ❍ Encourage employees to see doctor if suspicious symptoms occur
   ❍ Encourage employee attendance in health seminars, talks, info updates
   ❍ As practical, establish or take advantage of company health programs, i.e. shots, check-ups
   ❍ Provide approved personal protection equipment according to CDC guidelines

General Safety and Security Procedures for Incoming/Outgoing Mail Areas

- Notify internal and external customers, as appropriate, of steps taken to ensure safety of mail
- Control or limit access of employees, known visitors and escorted visitors to the mail center with sign-in sheets, badges, and/or card readers. **(For large mail operations, include plant, workroom floor, etc.)**
- Subject to emergency exit safety requirements, lock all outside doors and/or prohibit doors from being propped open
- Require deliveries to be made in a restricted, defined area
- Restrict drivers (rest areas) to an area that is separate from the production/mail center facilities.
- Use video cameras inside and outside the facility/docks, as feasible
- Keep the area for processing incoming and outgoing mail separate from all other operations, as feasible
- If a separate processing area is used, it should not be part of the central ventilation system
- Shut-off points of processing area's ventilation system should be mapped and should be part of an emergency procedures handout
- Separate processing area should include appropriate personnel protection equipment and disposal instructions for such equipment, as approved by the CDC
- Designate and publish/post evacuation routes for emergency situations
- Conduct training, emergency preparedness drills, and information update meetings, as necessary
- **X-ray all incoming mail. (Large mail centers.)**
- Maintain a Suspicious Package Profile
- Ensure appropriate emergency access numbers are posted by or on every phone. Such numbers should include: call 911; CDC at 770-488-7100; local Postal Inspector; or local police or fire department
- Maintain updated employee lists (name, address, phone/cell phone), and keep back-up copy off-site
- Provide only vacuum systems for cleaning equipment, not forced air systems
- If not already done, alter receiving procedures to require a manifest with all shipments and practice the acceptance of "complete" shipments only
- Discarded envelopes, packages, boxes should be placed in a covered container and transported to the loading dock for removal. (Ensure local arrangements are in place for disposal of such material.)

Access to Information - Education and Communications

- Maintain a library of publications, videos, brochures, from appropriate information sources, and facilitate employee access to them as needed. Sources should include USPS, CDC, and OSHA
- Maintain and publish a list of useful websites from appropriate authoritative sources. Bookmark appropriate web sites for easy access, i.e. CDC, OSHA, USPS, and GSA. Monitoring twice a day is a minimum recommendation, as situations warrant
- Maintain and publish list of phone numbers to call in an emergency - Postal Inspectors,

Fire Dept., CDC, OSHA, Police, etc.
- Present updated Best Practices from CDC, OSHA, GSA, USPS, and Fire Dept.
- Company-wide communications concerning mail center security procedures should be implemented
- Require/encourage applicable employees to attend all local meetings pertaining to mail security issues

Guidelines for Mail Center Theft Prevention

Mail is sometimes lost or stolen from company mail centers, or while en route to or from the Post Office. Much of this mail is quite valuable, containing cash, jewelry, and other high-value items. Needless to say, such losses are costly to the company and its investors. The following are some suggestions for improving theft prevention in your mail center operation:

- Know your employees. Don't put your new hires in your mail center without a criminal record check.
- Secure your mail center. Prevent access by unauthorized persons. Keep locked whenever possible, especially when no one is on duty. Maintain a sign-in sheet for persons entering and leaving the mail center, including times of arrival and departure.
- Registered Mail. Keep separate from other mail. Document transfer of Registered mail by requiring the receiver to sign for custody.
- Protect company funds. If company funds are handled as part of the mail center operations, establish adequate controls to fix individual responsibility for any losses that may occur.
- Keep postage meters secure. Postage meters should be secured when not in use. Check mails periodically to determine if employees are using company postage meters for their personal mail.
- Vary times and lines of travel between post office and plant. If currency or other valuable mail is sent or received, check periodically to see if mail messengers are making unauthorized stops or is leaving mail unattended in unlocked vehicles.
- Employees caught stealing should be prosecuted. There is no greater deterrent to a potential thief than the fear that he/she may go to jail. The Postal Inspection Service will extend its full cooperation.

Some Critical Websites - bookmark for quick reference: (include your various suppliers/vendors)

US Postal Service - http://www.usps.com/
Centers for Disease Control (CDC) -
http://www.usps.com/common/exit_page.htm?url=http://www.cdc.gov
Occupational Safety and Health Administration (OSHA) -
http://www.usps.com/common/exit_page.htm?url=http://www.osha.gov
General Services Administration (GSA) -
http://www.usps.com/common/exit_page.htm?url=http://www.gsa.gov
Federal Bureau of Investigation (FBI) -
http://www.usps.com/common/exit_page.htm?url=http://www.fbi.gov
Bureau of Alcohol, Tobacco and Firearms (BATF) -
http://www.usps.com/common/exit_page.htm?url=http://www.atf.treas.gov

###

April 17, 2003

SUBJECT: Interest Rate Changes for Housing Programs
            and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
       Rural Development Managers,
       and Community Development Managers

ATTN: Rural Housing, Program Director

The following interest rate, effective May 1, 2003, is changed as follows:

Loan Type	Existing Rate	New Rate
ALL LOAN TYPES		
Treasury Judgement Rate	1.270%	1.270%

The Treasury Judgement rate is based on the weekly average 1-year Constant Maturity Treasury (CMT) yield. The rate is published by the Federal Reserve System, Board of Governors. The current rate shown above is as of the week ending 03/28/03. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest.

EXPIRATION DATE: FILING INSTRUCTIONS:
May 31, 2003   Administrative/Other Programs

This rate may be found by going to the Federal Reserve web site for the weekly average 1-year CMT yield (www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt).

Please notify appropriate personnel of this interest rate information.

*(Signed by **James C. Alsop**)*   for

ARTHUR A. GARCIA
Administrator
Rural Housing Service

Sent by Electronic Mail on 04/17/03 at 1:45 p.m. by PAD.

April 23, 2003

TO: Rural Development
        State Directors

ATTENTION: Rural Housing Program Directors,
            Program Loan Cost Coordinators and
            Contract Program Managers

FROM: Arthur A. Garcia   (Signed by Arthur A. Garcia)
        Administrator
        Rural Housing Service

SUBJECT: Revised FY 2003 Program Loan Cost Non-Recoverable Fund
          Allocations

The President has signed this year's Appropriation Act, allowing us to increase your current non-recoverable Program Loan Cost Expense (PLCE) fund allocation. All States' revised non-recoverable Salaries and Expense ("A" funds) Account allocations are listed in Attachment 1. They supersede those provided in my memorandum of October 11, 2002, and include any funding requests we may have approved for you during this year's Continuing Resolutions. Your general "A" fund allocations are intended primarily for Single Family Housing (SFH) PLCEs. Additional non-recoverable funds intended for Multi-Family Housing (MFH) appraisals and cost certifications can be requested by States on an "as needed" basis from the National Office.

This year's non-recoverable PLCE funds are only authorized for SFH infile credit bureau reports, MFH appraisals, MFH cost certifications, MFH market studies, SFH and MFH wage match, SFH bankruptcy fees, SFH mortgage releases, and SFH inventory property expenses. No other uses of non-recoverable PLCE funds are allowed without prior National Office permission.

All PLCE funds required in the Community Facilities Program are held in the National Office. Funding for Community Facilities PLCEs should be requested by completing and faxing Attachment 2 to Robert Bogan at (202) 690-0471. To request funds for MFH appraisals and cost certifications, contact Brett Morgan at (202) 720-1620. To request funds for general SFH and MFH expenses, contact Lillian Crayton at (202) 720-9621.

EXPIRATION DATE: October 31, 2003   FILING INSTRUCTIONS:
                                            Administrative/Other Programs

You are again reminded that we will need to do all we can to stretch our limited non-recoverable funding this year. Please check the accuracy of the Program Authority Codes (PACs) and Action Codes assigned to your State's PLCEs. Make sure you use the PAC charts in the current RD Instruction 2024-A, Exhibit D, effective April 17, 2002, to verify the recoverability of each charge you submit. A State should not request additional funding in its account until it has <u>obligated</u> at least 90 percent of its current account funds.

If field staff have any questions concerning this memorandum, they should contact their State Office. If State Office officials have questions concerning this memorandum or qualify for additional funds, they should contact Carl Muhlbauer, Program Support Staff, at (202) 690-2141.

Attachments (2)

Sent via Facsimile on <u>04-24-03</u> at <u>9:00 a.m.</u> by SSD. State Directors should notify other personnel as appropriate.

PROGRAM LOAN COST EXPENSE FUNDS
Housing Programs (RHIF) - FY 2003

State/Territory	Revised Allocations Salaries & Expense Account
Alabama	$15,028
Alaska	$2,744
Arizona	$35,800
Arkansas	$12,028
California	$46,261
Colorado	$4,985
Delaware	$8,302
Florida	$19,661
Georgia	$23,285
Hawaii	$2,072
Idaho	$78,226
Illinois	$10,287
Indiana	$12,681
Iowa	$13,941
Kansas	$7,875
Kentucky	$15,512
Louisiana	$11,759
Maine	$12,047
Massachusetts	$7,081
Michigan	$25,470
Minnesota	$7,755
Mississippi	$17,049
Missouri	$11,560
Montana	$39,701
Nebraska	$3,619
Nevada	$2,404
New Hampshire	$2,324
New Jersey	$8,669
New Mexico	$17,020
New York	$13,155
North Carolina	$35,983
North Dakota	$4,509

Ohio	**$25,628**
Oklahoma	**$14,597**
Oregon	**$58,595**
Pennsylvania	**$12,728**
Puerto Rico	**$14,630**
South Carolina	**$11,265**
South Dakota	**$7,983**
Tennessee	**$42,102**
Texas	**$25,433**
Utah	**$5,382**
Vermont	**$2,609**
Virginia	**$17,132**
Virgin Islands	**$2,489**
Washington	**$38,908**
West Virginia	**$7,984**
Wisconsin	**$17,552**
Wyoming	**$9,338**
Total	**$843,150**

FISCAL YEAR PROGRAM LOAN COST EXPENSE
RURAL HOUSING SERVICE - COMMUNITY PROGRAMS

State: _____   Account: _____
Contact Person: _____   Fax No.: _____
Telephone Number: _____

Program Authority Code (PAC):
_____ (Loan Program)   _____ (Program Activity)
_____ (General Purpose)   _____ (Detail Description)

Program Authority Required: _____ (Indicate Yes/No)
Recoverable _____   Non-recoverable _____

Description of Request:
_____
_____

CONTRACTUAL   **NONCONTRACTUAL**

Inspections   _____   Advertising   _____
Appraisals   _____   Real Estate Taxes   _____
Analysis and Audits   _____   Insurance
Information Services   _____   (including flood)   _____
Other Services   _____   Other (Explain)   _____
Maintenance & Management _____   Utilities   *
Repair/Improvement   _____   **TOTAL**   _____
Exclusive Broker   _____
Open Listing Broker   _____   * Attach copies of vouchers and/or
documents.
Environmental   _____
Other Field Contracting _____
Credit Bureau Reports   _____
TOTAL   _____

_____
State Program Director

Concurrence: _____   Date: _____
             Associate Administrator/Deputy Administrator

TO BE COMPLETED BY NATIONAL OFFICE:
        Account Balance after this obligation: _____
        Initials: _____
        Date: _____

April 28, 2003

SUBJECT: Fiscal Year (FY) 2005 Administrative Budget Initiatives

TO: Rural Development State Directors
            Rural Development Administrators
            Deputy Administrator for Community Development
            Deputy Administrator for Operations and Management
            Executive Director, National Sheep Industry Improvement Center

The purpose of this memorandum is to obtain information on budget initiatives for FY 2005. This information will be used to formulate the FY 2005 Salaries and Expenses Budget.

The attached form should be used to document your recommendations for initiatives to be requested in the FY 2005 Salaries and Expenses Budget. Please provide sufficient information to allow for a full evaluation of the initiative and to ensure accuracy if included in the agency budget submission. Special emphasis should be given to your description of a new requirement. Your discussion should include a brief, concise description of the initiative, how it contributes to the mission area objectives, and what benefits in terms of savings or increased efficiency may be realized from it. In essence, this language will be used to justify or sell the request in the budget presentation. A sample form is provided for your guidance.

The budget guidance received from the Office of Budget and Program Analysis and Office of Management and Budget (OMB) typically allows us to only request funding increases for the annual Federal pay raise and special needs/initiatives. Based on past experience, funding requests for comprehensive initiatives that address the President's Management Agenda, specific problems recognized by Congress or OMB have the best chance of being approved. On the other hand, general requests for increases in staff or travel funds usually do not receive priority during the budget review process due to the overwhelming demand for scarce resources.

In order to maximize our chances to receive priority consideration for our budget needs, we will once again be highlighting our special needs by requesting information for the FY 2005 budget in the form of complete initiatives*. **You do not need to address initiatives already in your funding base (Fiscal Year 2003 initial allotment), only those initiatives that are new or will be significantly changed or expanded**.

EXPIRATION DATE: FILING INSTRUCTIONS:
May 12, 2003   Administrative/Other Programs

Please mail your initiatives and supporting data to the Rural Development Budget Division, Attention: Administrative Programs Branch, STOP 0722, 1400 Independence Avenue, SW, Washington, DC 20250, by COB Friday, May 9, 2003. You may also fax them to 202-692-0126. Because we have a fixed deadline from the Department for the submission of the mission area's FY 2005 budget request, it is imperative that your information be received by the Budget Division by May 9 for it to be given the full consideration it merits. Requests received after the deadline cannot be adequately analyzed and included in the overall mission area budget request. If you have any questions, please call Deborah B. Lawrence at 202-692-0122.

(Signed by Thomas C. Dorr)

THOMAS C. DORR
Under Secretary
Rural Development

Attachment

Sent by Electronic Mail on *May 1, 2003* at *9:36 AM EST* by BD.

BUDGET INITIATIVE
FISCAL YEAR 2005 BUDGET ESTIMATE

PROPOSING ALLOTTEE:_____

LEGISLATIVE CHANGE REQUIRED? _____Yes _____No

1. **Title of Initiative.**

2. **Concise Description of additional resource requirement.** (Briefly describe the
    initiative and the reason funds are being requested in FY 2005. If this initiative will
    require resources after FY 2005, attach a list of the essential events or major
    milestones with appropriate dates. Include any estimated program benefits resulting
    from this initiative. Use bullet paragraphs and short statements or charts/tables, if
    helpful. Attachments should be limited to one page.)

3. **Specify the contribution to agency objectives**.

4. **Additional Resources Required.** *Use the following table to show additional
    resources required above your FY 2003 initial allotment as a result of this initiative.*
    If you are requesting staff years as part of this initiative, please provide additional
    information on the grade level and geographic location of each staff year (DC, St.
    Louis, or Field). Based on this data, the Budget Division will compute the Salary and
    Benefit costs.

	FY 2004	FY 2005
Staff years		
Travel $		
Contract $		
Other $		
Total $		

5. **Savings as a result of this initiative**. Estimate potential savings (staff years and
    dollars) if this initiative is funded. Please explain if the potential savings are in a
    program account.

6. **Point of Contact.** Please list the name and telephone number of the person who could
    provide additional information on this initiative.

April 30, 2003

SUBJECT: Rural Business-Cooperative Service Business Programs
            Annual Report for Fiscal Year 2002

    TO: State Directors, Rural Development

  ATTN: Business Programs Directors

Attached are two copies of subject for your information. We hope this will be helpful in administering Business Programs within your State. As was done last year, this Annual Report will also be available on the Internet at the Rural Business-Cooperative Service Business Programs home page. If you have any questions or need clarification on any of the information provided or wish additional copies, please contact my office directly, (202) 720-7287.

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

Attachments

Copies distributed to State Offices by hard copy by DABP.

EXPIRATION DATE: FILING INSTRUCTIONS:
September 30, 2003   Community/Business Programs

April 30, 2003

TO: State Directors
Rural Development

FROM: Arthur A. Garcia
Administrator
Rural Housing Service

ATTENTION: Multi-Family Housing
Program Directors and Coordinators

SUBJECT: Income and Expense Analysis for
Multi-Family Housing Projects

Attached is one copy each of the Institute of Real Estate Management's publications entitled, "2002 Income/Expense Analysis Federally Assisted Apartments" and "2002 Income/Expense Analysis Conventional Apartments." These publications represent the most up-to-date financial facts available regarding operation of Multi-Family Housing (MFH). The federally assisted study provides data grouped by subsidy type when feasible.

These publications are intended to assist your staff in evaluating borrower operating budgets, annual reports, and audits. These tools should enable you to detect or prevent abuses in the program. The Office of Inspector General has strongly advised the Agency to track operating and maintenance expenses of the projects we finance.

As the cost of these publications has increased substantially over the last few years, we urge you to implement their use immediately if you are not already doing so. Also, the National Office will use these publications as a baseline resource in future years to establish appropriate management fees for the MFH programs. We suggest that you review these publications and utilize the materials in establishing State fees and averages in the interim.

Budget constraints limit these publications to one set per State Office. If your office requires additional sets, please order them directly with your State's funds from the Institute of Real Estate Management.

If you have any questions, please call Melba Swarey of the Multi-Family Housing Portfolio Management Division at (202) 720-1613.

Attachments

Copies distributed to State Offices by MFHPMD.

EXPIRATION DATE: April 30, 2004   FILING INSTRUCTIONS:
                                         Housing Programs